

The next frontier of inclusive business models at the Base of the Pyramid: the European Commission, businesses and NGO's are set for new collaboration

Many multinational companies are seeking to create new business models and partnerships which aim not only to produce economic results but also to contribute to poverty alleviation and societal development targeting the poor as consumers, producers and distributors to help maximising development impact. The objective is to allow low income populations (the base of the economic pyramid - BoP) to have access to basic needs such as water, electricity, food and healthcare. The role of the private sector is vital in this framework of sustainable and viable economic growth of developing and emerging markets. It is in this context that CSR Europe was proud to showcase the business contribution to sustainable growth at the base of the pyramid by leading a High Level Panel on "Inclusive Business Models" at the European Development Days, organised by the European Commission.

The High Level Panel – organised by CSR Europe, together with GDF Suez, IMS Entreprendre pour la Cite and Business in the Community (BITC) – kicked off the second day of the 7th edition of the European Development Days. The Panel included speakers from corporate, government (GIZ, French Ministry of Foreign and European Affairs) and NGO (GAIN, Ashoka) background. It emphasized the merits and limits of inclusive business models, before looking into how European public donors, and especially the European Commission, can further support businesses in reaching scale and greater impact at local level. Despite high rates of economic growth in emerging economies, inequality and poverty are still prevalent and exploring new approaches to public-private collaboration can help make a difference in the poorest countries. "Bringing about real societal impact requires active cooperation with a broad range of other actors. Efficient synergies between public and private spheres are therefore fundamental to the success of these new business models" stated Bruno Bensasson, Director Strategy and Sustainable Development, GDF SUEZ.

As such, the High Level Panel identified some key recommendations to the European donor community and the European Commission on how to shape enabling environments and more generally support the scalability of inclusive business models in developing countries. "Europe must now take the lead towards enhanced global development policy, stronger partnerships with developing countries, but also with fostering and encouraging innovation and thus competitiveness," stated Etienne Davignon, Minister of State and President of CSR Europe.

"This High Level Panel arrived timely," said Philippe Loop, Head of Unit for 'Private Sector Development, Trade and Regional Integration' at DG DevCo, European Commission. "Not only does the EU have an interest in these fast paced developments, it is ready to play a proactive role as conveyor and coordinator in enhancing knowledge for future cooperation. The EU needs to engage more with the private sector to achieve the objectives of inclusive and sustainable growth."

Philippe Loop's remarks complement the EU Agenda for Change that emphasizes how private, domestic and foreign investments, together with improved infrastructure, are critical success factors for sustainable private sector growth. In addition, the importance of collaboration with the private sector has been further highlighted in the European Communication on Trade, Growth and Development published on January 27th 2012. The European Commission's willingness to identify ways to promote responsible business conduct in future policy initiatives for sustainable and inclusive growth have also been underlined in the European Communication on CSR published in October 2011.

On this basis, CSR Europe will continue to strengthen collaborative action to better understand, develop and maintain effective cross sector and multi-stakeholder approaches to inclusive business through a collaborative project on "inclusive business models at the base of the pyramid". Within this framework, CSR Europe looks forward to working closely with the European Commission to ensure the private sector has the appropriate framework for inclusive business models to flourish.

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